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YORK LAMBTON

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1966

ANNUAL REPORT

YORK LAMBTON
CORPORATION LIMITED

MAY 12 1967

✓ nominated

7 years

DIRECTORS

- ✓ MARC M. BIENVENU, Chairman
Hb ✓ THOMAS H. BAKER
Hb ✓ WILLIAM E. N. BELL
Hb ✓ J. REGINALD FINDLEY
NORMAN J. SHORT
SINCLAIR M. STEVENS ✓ FERNAND HALUDE
Hb ✓ RONALD M. THOMAS

resigned
Pierre Champagne
Halude

resigned

> A+1
B. These (LOH) are of the
law firm that is working on the
of the A+1 firm
GEOFFRION &
PRUD'HOME
A+1 law firm

OFFICERS

- RONALD M. THOMAS, President
PHILIP B. MACDONALD, Executive Vice-President
JAMES W. DUNLOP, C.A., Treasurer and Controller
EDWARD L. FINCH, Secretary

AUDITORS

MCDONALD, CURRIE & CO.

HEAD OFFICE

48 Yonge Street, Toronto 1, Canada

YORK LAMBTON CORPORATION LIMITED

YORK LAMBTON has major holdings at the present time in the following companies:

BANK OF WESTERN CANADA
Winnipeg, Manitoba

James E. Coyne, *President*

YORK TRUST AND SAVINGS
CORPORATION
Toronto, Ontario

Marc M. Bienvenu, *Chairman*
Alexander V. Crate, *President*

YORK TRUST subsidiaries

FORT GARRY TRUST COMPANY
Winnipeg, Manitoba

INTERNATIONAL SAVINGS AND
MORTGAGE CORPORATION
Montreal, Quebec; Winnipeg, Manitoba

THE LAMBTON LOAN
AND INVESTMENT COMPANY
and THE LAMBTON TRUST
COMPANY LIMITED
Sarnia, Chatham, Wallaceburg, Ontario

John A. Smith, *President*

YORK LAMBTON controls the following wholly-owned subsidiaries:

INTERIOR CREDIT CORPORATION LTD.
Winnipeg, Manitoba

MARITIME MORTGAGE & LOAN
CORPORATION LIMITED
Toronto, Ontario

WELLINGTON CREDIT CORPORATION
LIMITED
Toronto, Ontario

YORK LAMBTON has investments in:

CANADIAN FIRST MORTGAGE
CORPORATION
Toronto, Ontario

James E. Coyne, *President*



President's Report

The year 1966 saw the culmination of the longest period of economic expansion in North America in recent history. This period of expansion brought increasing pressures upon the business community generally and upon financial institutions in particular. These pressures upon financial markets, especially the demand for new investment funds at a time of monetary restraint, began to gather in the spring of 1965 as economic resources were becoming more effectively and fully employed and bore most heavily upon the economy during the summer and early fall months of 1966.

Under conditions of extreme competition for funds from both the private and public sectors of the economy, interest rates rose dramatically to the highest levels in forty years as bank credit tightened and liquidity shrank. Deposit-taking institutions were faced with the necessity, not only of paying higher rates of interest for deposits, but also that of introducing new forms of investment and savings plans in order to attract funds. The failure of several financial institutions in Canada and the United States during 1965 and 1966 contributed further to creating a sensitive and generally uneasy financial market.

During the summer of 1966, however, evidence began to accumulate that monetary restraint, which had been increasingly imposed by the Bank of Canada from mid-1965 onward, coupled with the moderating influences of fiscal measures introduced by the Minister of Finance in the Federal Government's Spring budget, were beginning to have their effect in dampening down excessive demand. During the first half of the year, many of the leading business indicators turned down, a trend which has subsequently been reflected by a slow-down in the rate of growth of the national economy.

Finally, in response to these developments in the latter half of 1966, it could be

anticipated that demand pressures upon the economy would subside. Fiscal and monetary restraints could then be relaxed. Indeed, Bank of Canada monetary policy began to move towards a discernable, though gradual, relaxation in its supply of credit to the banking system.

CORPORATE POLICY

In December 1966, at a Special General Meeting of the shareholders, your Company's name was changed from The Wellington Financial Corporation, Limited to York Lambton Corporation Limited to more closely identify itself with its major subsidiaries in York Trust and Savings Corporation and Lambton Loan and Investment Company. As such, York Lambton has now become primarily a holding company engaged in the aggressive development of financial institutions aimed at servicing the public's investment and savings needs. The Company has a large investment in The Lambton Loan and Investment Company, York Trust and Savings Corporation and, indirectly, York Trust's subsidiaries: International Savings and Mortgage Corporation and Fort Garry Trust Company. York Lambton also took the initiative in bringing into being the Bank of Western Canada, the first new chartered bank established in Canada in over fifty years.

The aggressive policy followed in the development of these trust and loan companies has contributed significantly to the growth of total assets under their administration, despite the external economic and financial pressures which were brought to bear during the past year. However, during a period of tight money and high interest rates, this same aggressive approach to attract new customers and accounts in order to bring as quickly as possible deposits and other assets into balance with the investment in branch facilities, has proven to be



Friendly, personal savings services

....in Winnipeg, Sarnia, Toronto, and Montreal



expensive in the short term, particularly with reference to York Trust and Savings Corporation. Investment policy, in emphasizing security in mortgage lending, has had the effect of restraining corporate earnings.

GROWTH AND CONSOLIDATION

During the latter half of 1966, the organization and financial structure of York Lambton and its affiliates were reviewed. This led to the acquisition in December 1966 of certain assets of Canadian Finance & Investments Ltd., an affiliated company from British International Finance (Canada) Limited. In addition, York Trust acquired 95% of the shares of Fort Garry Trust Company and increased its shareholding of International Savings and Mortgage Corporation to 97%. These acquisitions were all carried out at break-up values under a reorganization plan prepared by the Company's auditors. These changes, in addition to strengthening the underlying equity of the Company and its subsidiaries, will permit considerable savings in management and administrative costs, a more effective use of funds, and simplify the corporate structure. In addition, York Trust will be able to reach into large metropolitan markets in neighbouring provinces and increase its share of public funds on deposit.

A review of the organization and personnel has led to the establishment of a new administrative structure, and a programme to effect substantial savings on operating account for York Lambton and its operating subsidiaries.

FINANCIAL RESULTS

During 1966, the consolidated assets of York Lambton Corporation Limited increased by approximately \$10 million, principally as a result of the growth in assets of its trust and loan subsidiaries, all of whom enjoyed an increased share of public support for their services.

Despite the continued growth in the subsidiary companies' overall business, the Company suffered a consolidated net loss for the year after special charges of \$807,438. This loss, as reflected in the Statement of Income and Deficit, consists of a loss on operating account of \$478,666, incurred principally by York Trust and Savings Corporation and International Savings and Mortgage Corporation, offset by the Company's share of the \$165,471 profits of another affiliated subsidiary, The Lambton Loan and Investment Company.

Included in the above, is your Company's share of a loss sustained by York Trust arising out of sales of N.H.A. mortgages and special charges relating to the costs of developing new business.

In the light of the difficult market conditions which prevailed throughout the period, the over-invested position in one of its subsidiaries, and in keeping with its changed role as a holding company, York Lambton's activities as a direct lender and mortgage broker were sharply curtailed, which had the effect of reducing your Company's earnings.

CHANGES IN CAPITAL STRUCTURE

During the year, certain changes were made in the capital structure of the Company, details of which are described in the notes to the financial statements. The more important of these are described below.

In December 1966, pursuant to by-laws passed at a Special General Meeting of the shareholders, and confirmed by supplementary letters patent, dated December 27, 1966, the authorized capital of the Company was increased by the creation of 2,500,000 additional Class B shares. At this time, as part of a reorganization of the British International Finance (Canada) Limited group, the Company acquired certain assets and assumed certain liabilities

from British International Finance in exchange for a note in the amount of \$1,000,831, payable by the issuance of 237,163 Class B shares. These shares were issued in January 1967.

In addition, pursuant to a trust agreement dated February 10, 1964, relating to the Bank of Western Canada, a further 625,000 Class B shares were reserved for issue to the public at \$6 per share. These shares were issued on January 3, 1967 and the \$3,750,000 invested in shares of the Bank of Western Canada.

During July and August, 1966, an issue of 6 $\frac{1}{2}$ % secured notes due July 31, 1971 was offered to the public. The proceeds of this issue in the amount of \$548,000 was used to reduce bank indebtedness and for general corporate purposes. These debentures carried warrants entitling the holders to purchase up to 30 Class B shares at \$6 per share on or before July 31, 1973. The Company has reserved 16,440 Class B shares for this purpose.

YORK TRUST AND SAVINGS CORPORATION

York Lambton Corporation Limited owned 53.1% of York Trust and Savings Corporation at the end of 1966. In addition, the Company advanced \$850,000 to this subsidiary in December with the intention of taking up further capital stock.

During 1966, total funds on deposit grew by some \$14 million. Total assets did not increase, however, as these funds were directed towards the reduction of its over-invested position in mortgages issued under the National Housing Act.

In 1965, York Trust, along with other Canadian financial institutions, had taken on deposit considerable sums of short term corporate funds and had re-employed these funds in long term mortgages insured under the National Housing Act. This was done



partly in anticipation of being able to sell such mortgages to corporate and institutional investors and partly in anticipation of the growth of its own deposits. However, the failure of Atlantic Acceptance Corporation in June 1965 led to the subsequent withdrawal of such short term funds by both corporate and professional investors as their notes matured.

Faced with a heavily over-invested position, the management of the trust company could have sold out its over-invested position and sustain a permanent capital loss. Alternatively, it could borrow against its securities and mortgages in anticipation that improved market conditions in the future would permit the company to bring its portfolio into more orderly balance.

This latter policy, coupled with an aggressive policy of branch development and premium campaigns aimed at attracting new funds, was adopted. By mid-1966, while some progress had been made in reducing the over-invested position, liquidation of excess investments would have resulted in substantial capital losses as against smaller losses on interest account. Moreover, as indicated above, early signs in the economy indicated some slackening in interest rates which undoubtedly would permit a more orderly liquidation of N.H.A. mortgages under more favourable conditions. This policy had the effect of increasing funds on deposit by some \$14 million and of permitting the reduction in borrowings from Central Mortgage and Housing Corporation from about \$20 million at the beginning of the year to \$5.2 million at year end.

As a result, York Trust sustained a loss on operating account of \$854,541 and wrote-off special charges relating to a loss on the sale of N.H.A. mortgages of \$406,806 and branch establishment expenses of \$137,732.

At year end, as a result of the acquisition of Fort Garry Trust and International Savings and a capital advance made by York Lambton, the equity account of York Trust was increased by approximately \$2.4 million.

INTERNATIONAL SAVINGS AND MORTGAGE CORPORATION

York Lambton held directly 77.1% of the shares of International Savings and Mortgage Corporation until December 30th, 1966, when these shares were exchanged for shares of York Trust. A further 18.8% of the stock was held indirectly during the year by York Trust.

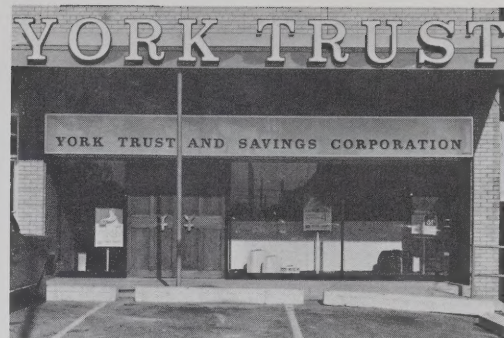
International Savings and Mortgage Corporation, incorporated in 1926 under Federal Charter, moved its base of operations from Winnipeg to Montreal, where it opened two savings offices; the first in the Van Horne Shopping Centre in September and the second in the Town of Mount Royal in October. By year end, the Company had increased its deposits and savings certificates by \$1.5 million. At year end, all of these funds were held in highly liquid form.

While International Savings sustained a loss on its operations for the year of \$53,725, total assets increased from nearly \$2.0 million to 3.3 million in slightly over three months of operations. Early indications for 1967 are encouraging, and will become more so as liquid resources are re-employed in mortgage and security investments with higher returns.

LAMBTON LOAN AND INVESTMENT COMPANY

At year end, York Lambton continued to hold 54.7% of the shares of The Lambton Loan and Investment Company.

Consolidated assets of Lambton Loan and its subsidiary, The Lambton Trust Company Limited, including trust funds, amounted to \$31.4 million, an increase of



approximately \$5.2 million for the year. Earnings, however, were \$165,471 as compared with \$170,443 earned in 1965 reflecting the cost of doubling the branch network in 1965, the full profitability of which has yet to flow through to earnings.

BANK OF WESTERN CANADA

The Bank of Western Canada, for which application was made in 1964, finally received Royal Assent in July 1966, and the licence to commence business was granted in September 1966, creating the first new chartered bank in Canada in over fifty years.

Your Company's subscription of \$3,750,000 for 250,000 shares at \$15 per share was paid in on January 3, 1967. As the result of your Company's acquisition of certain assets of Canadian Finance & Investments Ltd. from British International Finance (Canada) Limited and the acquisition of York Trust's holdings, your Company now holds 433,000 shares of the Bank of Western Canada at a cost of \$6,495,000, or 50.1% of the Bank. Final payment against the Canadian Finance and Investment subscription was completed on March 17th, 1967.

Plans are proceeding to open branches in Winnipeg and Vancouver in the near future. The Board of Directors anticipate that there will be a branch in each of the major cities in the West within two years.

EXECUTIVE CHANGES

Early in February, 1967, James E. Coyne and Sinclair M. Stevens resigned from your Company as chairman and president, respectively. In May, 1966, your President joined the Company as Executive Vice-President, and was appointed to his present position in early February 1967, following Mr. Stevens' resignation.

Since issuing the interim report on March 10th, 1967, your Directors are pleased to announce that Marc Masson Bienvenu of

Montreal has been elected Chairman of York Lambton Corporation Limited. Mr. Bienvenu is active in the business community in Montreal and brings to your Company wide experience in financial management.

OUTLOOK

During the latter part of 1966, the attention of your management has been directed toward improving the administrative and financial efficiency of the Company and its subsidiaries and to the consolidation and strengthening of the corporate relationships between this Company, its subsidiaries and affiliates. As a result, the nature and objectives of the Company have been changed, and a more effective management organization has been established in the subsidiary companies. There has been reduction in staff no longer essential to the Company's operations.

These measures are being effectively translated into improved efficiency in the operations of the affiliated companies with the objective of promoting an earnings flow to your Company at the earliest possible date.

The Board wishes to express its gratitude to the shareholders, our employees and associates for their continued loyalty and support during the past year.

R. M. Thomas
President

March 31, 1967

YORK LAMBTON CORPORATION LIMITED
and SUBSIDIARIES
(formerly The Wellington Financial Corporation, Limited)

ASSETS

CURRENT AND INVESTMENT ASSETS

Cash (Note 3)		\$ 4,061,775	
Demand loans secured by bonds, stocks and other collateral		5,447,309	
Marketable investments — at cost, less reserve (market value \$15,307,560)			
Bonds and debentures	\$15,035,721		
Shares	<u>1,538,627</u>	16,574,348	
Accounts receivable (affiliates \$13,588)		358,184	
Real estate mortgages, related advances and properties — at amortized cost, less reserve		<u>83,213,580</u>	\$109,655,196

OTHER INVESTMENTS (Note 2)

Shares of associated companies — at cost		1,925,101	
Advances to affiliated companies		<u>348,333</u>	2,273,434

FIXED ASSETS

Office premises and equipment — at cost, less accumulated depreciation of \$458,139			1,025,063
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OTHER ASSETS AND DEFERRED CHARGES

Financing, mortgage procurement and other deferred charges, less amortization		454,903	
Excess of cost of investment in subsidiaries over book value at dates of acquisition		<u>2,729,648</u>	<u>3,184,551</u>
			<u>\$116,138,244</u>

Approved On Behalf Of The Board:

R. M. THOMAS, Director

J. REGINALD FINDLEY, Director

Consolidated Balance Sheet

as at December 31, 1966

LIABILITIES

CURRENT AND DEPOSIT LIABILITIES

Bank loan	\$	149,900	
Accounts payable and accrued expenses (affiliates \$27,833)		727,598	
Guaranteed deposits		29,810,036	
Deposit receipts		3,715,866	
Guaranteed investment certificates, debentures and bonds		64,010,416	
Loans payable (secured) (affiliates \$1,148,697)		<u>1,548,697</u>	\$ 99,962,513

LONG-TERM DEBT

6 ¹ / ₄ % secured notes series one due June 1, 1978, less sinking fund instalment of \$40,000 due June 1, 1967		730,000	
6 ¹ / ₂ % secured sinking fund debentures series A due July 31, 1971, less sinking fund instalment of \$71,500 due July 15, 1967		<u>476,500</u>	1,206,500

MINORITY INTEREST IN NET ASSETS OF

CONSOLIDATED SUBSIDIARY COMPANIES			<u>3,698,834</u>
			104,867,847

SHAREHOLDERS' EQUITY

SUBSCRIBERS' DEPOSITS (Note 3)		\$ 3,750,000	
NOTE PAYABLE TO A SHAREHOLDER (Note 4)		1,000,831	
CAPITAL STOCK (Notes 5 and 6)			
Authorized —			
2,500,000 36¢ non-cumulative participating class A shares without nominal or par value			
5,000,000 class B shares without nominal or par value			
Issued and fully paid —			
232,436 class A shares	\$	1,827,052	
1,042,983 class B shares		<u>5,294,813</u>	7,121,865
			11,872,696
DEFICIT		<u>602,299</u>	<u>11,270,397</u>
			<u>\$116,138,244</u>

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of York Lambton Corporation Limited and subsidiaries as at December 31, 1966 and the consolidated statement of income and deficit for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the report of auditors who have examined the financial statements of one subsidiary.

In our opinion, the accompanying consolidated balance sheet and consolidated statement of income and deficit, when read in conjunction with the notes thereto, present fairly the consolidated financial position of the companies as at December 31, 1966 and the consolidated results of their operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

McDONALD, CURRIE & CO.
Chartered Accountants

- Toronto, March 9, 1967.

YORK LAMBTON CORPORATION LIMITED
and SUBSIDIARIES

Consolidated Statement of Income and Deficit

for the year ended December 31, 1966

INCOME

Interest	\$6,591,308	
Fees, commissions and other	<u>366,605</u>	\$6,957,913

EXPENSES

Interest and amortization (including \$58,923 on long term debt)	5,143,004	
Administrative and general (including depreciation and amortization of \$175,266)	2,661,797	
Amortization of financing, mortgage procurement and other deferred charges	32,462	
Recovery of prior year's income taxes	<u>(60,845)</u>	7,776,418
		818,505
Minority interest		<u>339,839</u>

OPERATING LOSS FOR THE YEAR BEFORE SPECIAL CHARGES 478,666

SPECIAL CHARGES INCURRED BY SUBSIDIARIES (less minority interest)

Loss on sale of N.H.A. mortgages	216,014	
Branch establishment expenses	<u>112,758</u>	328,772

NET LOSS FOR THE YEAR AFTER SPECIAL CHARGES

807,438

EARNED SURPLUS — DECEMBER 31, 1965

440,320

367,118

Dividends on class A shares	83,173	
Expenses of a subsidiary applicable to prior year, less minority interest	<u>152,008</u>	<u>235,181</u>

DEFICIT — DECEMBER 31, 1966

\$ 602,299

YORK LAMBTON CORPORATION LIMITED

and Subsidiaries

Notes to Consolidated Financial Statements

for the year ended December 31, 1966

1/ CONSOLIDATED SUBSIDIARIES

The consolidated financial statements include the accounts of all subsidiary companies. The principal subsidiaries are Lambton Loan and Investment Company (54.7%) and York Trust and Savings Corporation (53.1%) and its subsidiaries, International Savings and Mortgage Corporation and Fort Garry Trust Company.

2/ INVESTMENT IN BANK OF WESTERN CANADA

Included in "Shares of Associated Companies" are shares of the Bank of Western Canada at a cost of \$745,000. On January 3, 1967 the company made a further investment in shares of \$4,300,000, as follows:

- (a) Subscribed and paid for 250,000 shares for \$3,750,000 cash pursuant to a subscription agreement.
- (b) Paid \$550,000 against the balance of \$2,000,000 of the subscription of an affiliated company, Canadian Finance & Investments Ltd., certain assets and liabilities of which were acquired by York Lambton Corporation Limited from British International Finance (Canada) Limited on December 30, 1966.

3/ SUBSCRIBERS' DEPOSITS

Subscribers' deposits represent cash received in full payment of subscriptions for 625,000 class B shares to be issued at \$6 and held in trust until invested in shares of the Bank of Western Canada, pursuant to the trust agreement February 10, 1964, as amended. On January 3, 1967, the company invested \$3,750,000 in the Bank of Western Canada and the following were issued to subscribers:

- (a) 625,000 class B shares at \$6 per share
- (b) 625,000 warrants for the purchase of 625,000 additional class B shares at prices ranging from \$6 to \$10 per share during various periods terminating on or before August 31, 1976.

4/ NOTE PAYABLE TO A SHAREHOLDER

During the year, as part of a re-organization of the B.I.F. Group, the company acquired certain assets and assumed certain liabilities from British International Finance (Canada) Limited for a net amount of \$1,000,831, payable by the issuance of 237,163 class B shares. These shares were issued in January 1967.

5/ CAPITAL STOCK

Changes in issued capital stock during the year were as follows:

CLASS A	SHARES	AMOUNT
Balance — December 31, 1965	228,684	\$1,800,788
Issued in exchange for shares of International Savings and Mortgage Corporation	3,752	26,264
Balance — December 31, 1966	<u>232,436</u>	<u>\$1,827,052</u>
CLASS B		
Balance — December 31, 1965	1,040,407	\$5,281,107
Issued in exchange for shares of International Savings and Mortgage Corporation	1,876	11,256
Issued pursuant to employees' stock option plan	700	2,450
Balance — December 31, 1966	<u>1,042,983</u>	<u>\$5,294,813</u>

Pursuant to by-laws confirmed by supplementary letters patent dated December 27, 1966, the authorized capital of the company was increased by the creation of 2,500,000 additional class B shares without nominal or par value and the company's name was changed to York Lambton Corporation Limited.

6/ RESERVATIONS OF CAPITAL STOCK

Class A and class B shares are reserved for issuance as follows:

- (a) 625,000 class B shares to subscribers referred to in Note 3.
- (b) 625,000 class B shares to the holders of warrants referred to in Note 3.
- (c) 267,163 class B shares to British International Finance (Canada) Limited (Note 4).
- (d) 100,000 class B shares to British International Finance (Canada) Limited at \$6 per share pursuant to a subscription agreement dated February 7, 1964. These shares were issued in January, 1967.
- (e) 6,000 class A shares and 25,000 class B shares, pursuant to an officers' stock option plan under which options to purchase that aggregate number of shares at \$6 per share on or before March 4, 1967 were outstanding at December 31, 1966. These options were not exercised before the expiry date.
- (f) 2,475 class B shares pursuant to an employees' stock option plan, under which options to purchase that aggregate number of shares at prices ranging from \$2 to \$5 per share during periods terminating in 1969 were outstanding at December 31, 1966.
- (g) 16,440 class B shares to the holders of warrants for the purchase of class B shares at \$6 per share on or before July 31, 1973, attaching to the 6¹/₂% secured sinking fund debentures series A.

Savings, Trust and Mortgage Services

YORK TRUST AND SAVINGS CORPORATION

TORONTO

THE LAMBTON LOAN AND INVESTMENT COMPANY

SARNIA

FORT GARRY TRUST COMPANY

WINNIPEG

INTERNATIONAL SAVINGS AND MORTGAGE CORPORATION

MONTREAL

DECEMBER 31 1966	COMBINED SERVICES	YORK TRUST	LAMBTON LOAN	FORT GARRY	INTERNATIONAL SAVINGS
Number of Savings offices	29	19	4	4	2
Number of Account Holders	114,200	76,100	21,600	9,400	7,100
Total Assets	\$122,100,000	\$83,800,000	\$26,700,000	\$8,300,000	\$3,300,000
Deposits	\$ 38,100,000	\$27,100,000	\$ 6,400,000	\$3,800,000	\$ 800,000
Investment Certificates and Debentures	\$ 59,200,000	\$37,100,000	\$18,100,000	\$3,200,000	\$ 800,000
Mortgage Loans	\$ 86,800,000	\$60,300,000	\$21,300,000	\$3,400,000	\$1,800,000
Capital Resources	\$ 11,000,000	\$ 5,900,000	\$ 2,100,000	\$1,300,000	\$1,700,000
Assets Under Administration	\$ 19,600,000	\$14,800,000	\$ 4,800,000	—	—
Total Assets	\$141,700,000	\$98,700,000	\$31,400,000	\$8,300,000	\$3,300,000

YORK TRUST AND SAVINGS CORPORATION
and SUBSIDIARIES

Consolidated Balance Sheet

AS AT DECEMBER 31, 1966



ASSETS

DECEMBER 31/1966

Cash	\$ 3,687,649
Demand loans secured by bonds, stocks and other collateral	4,596,760
Government, municipal and corporate bonds (market value \$11,089,997)	12,238,845
Stocks — at cost (market value \$709,790)	828,367
Mortgages, less reserve	60,269,579
Investment in shares of associated companies — at cost	896,730
Other assets (including advances to parent company \$75,800)	329,648
Fixed assets, at cost less accumulated depreciation	630,604
Excess of cost of investment in subsidiaries over book values at dates of acquisition	357,798
	<u>\$83,835,980</u>

LIABILITIES

Savings and Chequing Deposits	23,430,851
Deposit receipts (affiliates \$1,024,200)	3,715,866
Guaranteed investment certificates (affiliates \$3,852,175)	37,146,443
Loans payable (secured)	13,051,272
Accounts payable	495,612
	<u>77,840,044</u>
Minority interest	107,246

SHAREHOLDERS' EQUITY

Capital advanced by a shareholder	850,000
Paid up capital	5,538,680
General reserve	—
Undivided profits (deficit)	(499,990)
	<u>5,888,690</u>
	<u>\$83,835,980</u>
Assets under administration	<u>\$14,847,841</u>

NOTE — COMMITMENTS

Included in guaranteed funds is a guaranteed investment certificate and accrued interest of \$3,852,175 and a deposit receipt and accrued interest of \$400,063 issued to affiliated companies which were repaid on January 3, 1967.



Consolidated Balance Sheet

AS AT DECEMBER 31, 1966

ASSETS	DECEMBER 31/1966
Cash	\$ 342,388
Demand loans	1,250,549
Government of Canada and provincial bonds, at amortized cost	2,287,418
Municipal and corporate bonds, not in excess of market value	438,595
Preference shares in Canadian corporations, not in excess of market value	710,261
Mortgages	21,268,799
Office premises	389,322
	<u>\$26,687,332</u>
 LIABILITIES	
Savings and Chequing Deposits	\$ 6,379,185
Debentures	18,064,876
Dividends payable	31,590
Other liabilities	45,214
	<u>\$24,520,865</u>
Minority Interest	21,595
 SHAREHOLDERS' EQUITY	
Paid up capital	789,750
Reserve	1,041,411
Undivided profits	313,711
	<u>\$ 2,144,872</u>
	<u>\$26,687,332</u>
 Assets under administration	 <u>\$ 4,753,720</u>

MAY 12 1967

BANK OF WESTERN CANADA

Head Office: Winnipeg

CAPITALIZATION

AUTHORIZED	
2,500,000 shares — par value \$10 each	<u>\$25,000,000</u>
SUBSCRIBED	
865,500 shares — par value \$10 each	\$ 8,655,000
Premium on issue of 865,500 shares	<u>4,327,500</u>
	<u>\$12,982,500</u>

BOARD OF DIRECTORS

WILLIAM E. N. BELL <i>Toronto</i>	E. PETER LOUGHEED <i>Calgary</i>
MARC M. BIENVENU <i>Montreal</i>	PHILIP B. MacDONALD <i>Toronto</i>
JOHN L. BODIE <i>Edmonton</i>	ALEXANDER W. MACKENZIE <i>Montreal</i>
W. THOMAS BROWN <i>Vancouver</i>	DONALD M. MacPHERSON <i>Regina</i>
SIDNEY L. BUCKWOLD <i>Saskatoon</i>	E. R. P. NESBITT <i>Winnipeg</i>
JOSEPH A. CHIAPPETTA <i>Toronto</i>	RODMOND P. ROBLIN <i>Winnipeg</i>
MARK COLLINS <i>Vancouver</i>	JOHN SHANSKI <i>Winnipeg</i>
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